

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**February 26, 2015**

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Thursday, February 26, 2015, at 10:50 a.m., in the State Capitol, Room G-11, Nashville, Tennessee.

The following members were present:

Honorable Justin Wilson, Comptroller  
Honorable Tre Hargett, Secretary of State of Tennessee  
Honorable David Lillard, State Treasurer  
Larry Martin, Commissioner of Finance and Administration  
David Gregory, proxy for Chancellor John Morgan, Tennessee Board of Regents  
Robbi Stivers, proxy for Dr. Joe DiPietro, President, University of Tennessee

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on December 16, 2014. Mr. Lillard moved approval of the minutes. Mr. Gregory seconded the motion, and the minutes were unanimously approved.

Mr. Wilson stated that the next item on the agenda was the consideration and approval of a project for the Tennessee Board of Regents. Mr. Gregory commented that the project was not on the master plan; however, the property acquisition was a great opportunity for Austin Peay State University. Mr. Wilson then recognized Mr. Dick Tracy, Executive Director, Facilities Development, who presented the following project for consideration for the Tennessee Board of Regents:

- Austin Peay State University - Property Acquisition (729); Cost: \$8,700,000 of which \$1,700,000 will be funded by TSSBA; Term of Financing: 5 years as short-term financing

Mr. Hargett moved approval of the project. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson stated the next item on the agenda was approval of the Supplemental Resolution Authorizing and Providing for the Issuance and Sale of Higher Educational Facilities Second Program Bonds for the 2015 Series Bonds and to delegate the Authority to sell and fix the details of the bonds (the "Resolution".) Mr. Wilson stated that the Resolution authorizes an amount not to exceed \$425 million combined for taxable and tax-exempt new money bonds, as well as both a taxable and tax-exempt refunding. The Resolution authorized the bonds to be sold through either a competitive or a negotiated sale. Mr. Wilson stated that the Resolution also contained a listing of potential underwriters for a negotiated sale. Mr. Wilson recognized that Regions will be the Trustee.

The Resolution required that the bonds meet the criteria set forth in the Authority's Debt Management Policy, which includes the requirement that the refunding should result in a total minimum present value savings threshold of 4% of the par value of the bonds to be refunded. Mr. Wilson noted that some of the bonds currently being considered for the refunding have a debt service reserve fund that would be released, which would also provide for additional savings. Mr. Wilson stated that the resolution allowed for bonds to be sold for projects which were not yet complete, but added that the staff of the Office of State and Local Finance has been assured that all proceeds would be spent in a timely manner. Mr. Stivers commented that the UT projects to be included in the bond sale have all been approved by the Authority and the funds will be spent in a timely manner. Mr. Wilson stated that the Authority members' packets included a draft Preliminary Official Statement (POS), and a Bond Purchase Agreement, Refunding Trust Agreement and Continuing Disclosure Undertaking in substantive form. Mr. Wilson moved approval of the Supplemental Resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then reported that the Board received a recommendation from Public Financial Management ("PFM"), the Board's financial advisor, relating to the appointment of a senior book-running manager for the bond sale. He stated that staff had reviewed PFM's recommendation to select Citibank to serve as the senior book-running manager for the bond sale. Mr. Wilson made a motion to select Citibank as senior book running manager for the 2015 bond sale based on the recommendation from PFM. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson asked if there was other business to be presented to the Authority. Hearing none, he adjourned the meeting.

Approved on this 26<sup>th</sup> day of May, 2015

Respectfully submitted,



Sandra Thompson  
Assistant Secretary